

## Translation

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January 29, 2024

To whom it may concern:



Company name: CRESCO LTD.  
Representative: President and Executive Officer Hiroshi Tominaga  
(Stock code: 4674 Tokyo Stock Exchange, Prime Market)  
Inquiries: Director and Managing Executive Officer Kazuo Sugiyama  
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### Notice Concerning Agreement on Reorganization Between the Company and Consolidated Subsidiaries

CRESCO LTD. (head office: Minato-ku, Tokyo; President and Executive Officer: Hiroshi Tominaga) hereby announces that the Company's wholly owned subsidiaries Japan Software Design CO., LTD. and Mexess Co., Ltd. have resolved at a meeting of the Board of Directors of each company to agree to the reorganization among the three companies, and the Company has resolved at a meeting of its Board of Directors held today to approve the reorganization.

#### 1. Purpose of the reorganization

The purpose of the reorganization is to promote rapid business expansion and to maintain and improve the Group's competitive advantages in the industry by organizing and consolidating the know-how and resources of the three companies by region to effectively utilize personnel and management resources and by improving productivity and efficiently providing services.

#### 2. Date of the Board of Directors resolution of involved companies

CRESCO LTD.	Japan Software Design CO., LTD.	Mexess Co., Ltd.
January 29, 2024	January 22, 2024	January 16, 2024

#### 3. Summary of involved companies

(Non-consolidated basis for each company; Unit: Amounts less than one million yen are rounded down)

(1) Trade name	CRESCO LTD.	Japan Software Design CO., LTD.	Mexess Co., Ltd.
(2) Major lines of business	For information systems: <ul style="list-style-type: none"><li>• Consulting and solution services</li><li>• Design and development</li><li>• Operation management and maintenance</li><li>• Investigation, analysis, evaluation, and technological support</li></ul>	<ul style="list-style-type: none"><li>• Development and maintenance of computer software</li><li>• Design and operation management of telecom system</li><li>• Worker dispatching undertakings</li><li>• Any and all other businesses incidental or related to any of the foregoing items</li></ul>	<ul style="list-style-type: none"><li>• Business-related and control systems development (web-type and CS-type)</li><li>• Web design and production</li><li>• Development of mobile apps</li><li>• System infrastructure architecture</li><li>• IT consulting</li><li>• RPA</li><li>• BI, etc.</li></ul>
(3) Date of establishment	April 1, 1988	May 4, 1983	April 3, 1995
(4) Location of head office	2-15-1, Kounan, Minato-ku, Tokyo	2-2-13, Bakuromachi, Chuo-ku, Osaka-shi, Osaka	4-2-12, Honmachi, Chuo-ku, Osaka-shi, Osaka
(5) Title and name of representative	President and Executive Officer Hiroshi Tominaga	Representative Director Chihiro Sugawara	President Naoko Nakasu

Trade name	CRESKO LTD.	Japan Software Design CO., LTD.	Mexess Co., Ltd.
(6) Capital	2,514 million yen	45 million yen	100 million yen
(7) Number of issued shares	23,000,000 shares	2,000 shares	900 shares
(8) Net assets	19,015 million yen	63 million yen	335 million yen
(9) Total assets	25,812 million yen	397 million yen	558 million yen
(10) Fiscal year-end	March 31	March 31	March 31
(11) Major shareholder and shareholding ratio	<ul style="list-style-type: none"> <li>• Iwasaki Corporation Ltd. 21.25%</li> <li>• The Master Trust Bank of Japan, Ltd. (Trust Account) 8.91%</li> <li>• Masahiro Urasaki 5.95%</li> </ul>	CRESKO LTD. 100%	CRESKO LTD. 100%
(12) Operating results of the most recent fiscal year (Fiscal year ended March 31, 2023)			
Net sales	28,035 million yen	– million yen	1,245 million yen
Operating profit	2,932 million yen	– million yen	132 million yen
Ordinary profit	3,318 million yen	– million yen	144 million yen
Profit	2,213 million yen	– million yen	91 million yen

\* The information in (6) to (9) and (11) is as of March 31, 2023.

\* The information for Japan Software Design CO., LTD. is not shown in (12) because this company has been included in the scope of consolidation since March 31, 2023.

#### 4. Outlook

Going forward, the schedule, method and other details of this reorganization will be disclosed in a timely manner once they are determined through ongoing discussions.

#### 5. Impact on the Company's consolidated financial results

When reaching the agreement for the reorganization, the Company decided to record an impairment loss (extraordinary loss) of approximately 209 million yen for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023) on the goodwill related to Japan Software Design CO., LTD. because it was determined that the Company can no longer expect the originally planned earnings.

The forecasts of financial results for the fiscal year ending March 31, 2024 are unchanged from the forecasts announced on May 10, 2023.